

## Message Text

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PAGE 01 EC BRU 02519 121312Z

43

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 XMB-02

OPIC-03 /098 W

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P 121217Z MAR 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 739

INFO ALL EC CAPITALS PRIORITY 1828

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E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: INITIATION OF GATT PROCEEDINGS COMMUNITY'S NFDM DEPOSIT  
SCHEME

REF: STATE 59882

1. WE PRESENTED TO THE COMMISSION ON MARCH 12 THE FOLLOWING NOTE  
WITH APPROPRIATE COMPLIMENTARY OPENING AND CLOSING (N.B. WE DID  
NOT INCLUDE IN THE NOTE THE AMOUNT OF THE DEPOSIT SINCE COMMISSION  
OFFICIALS HAVE TOLDS US THAT THE AMOUNT-LIKELY TO BE IN THE  
NEIGHBORHOOD OF 30 UNIT OF ACCOUNT PER TON - HAS NOT YET BEEN  
DECIDED);

2. BEGIN TEXT OF NOTE: THE UNITED STATES HAS NOTED WITH REGRET  
THAT ON MARCH 6, 1976, THE COMMUNITY'S COUNCIL OF AGRICULTURAL  
MINISTERS DECIDED TO ADOPT A REGULATION WHICH REQUES THAT IMPORTERS  
OF DOMESTIC USERS OF ANIMAL FEED PROTEINS MUST PURCHASE NON-FAT  
DRY MILK, IN AN AMOUNT YET TO BE DETERMINED FOR EACH METRIC TON OF  
SUCH PROTEAINS USED IN MEMBER STATES DURING THE SEVEN MONTHS BEGIN-  
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PAGE 02 EC BRU 02519 121312Z

NING MARCH 15, 1976. A "PROTEAIN CERTIFICATE," TO BE GRANTED UPON

PAYMENT OF A DEPOSIT, IS TO BE REQUIRED FOR THE IMPORTATION OF EACH TON OF SOYBEAN CAKE OR SOYBEAN MEAL (OR THE EQUIVALENT THEREOF IN SOYBEANS) AND SIMILAR VEGETABLE PRODUCTS. THE DEPOSIT IS TO BE REFUNDED ONLY UPON PROOF THAT THE REQUIRED AMOUNT OF NON-FAT DRY MILK HAS BEEN PURCHASED FROM INTERVENTION STOCKS.

THE CERTAIN EFFECT OF THIS PROGRAM WILL BE THE MIXING OF NON-FAT DRY MILK IN ANIMAL FEEDS, WHICH IS THE PRECISE RESULT INTENDED. THE PROGRAM IS THUS A MIXING REGULATION, IS INCONSISTENT WITH ARTICLE III OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE, AND SHOULD BE TERMINAED.

THE UNITED STATES PRESENTLY HAS A BINDING OF ZERO DUTY IN THE COMMUNITY'S COMMON EXTERNAL TARIFF ON SOYBEANS, SOYBEAN MEAL, AND SOYBEAN CAKE, AND OTHER BINDINGS ON SEVERAL ADDITIONAL ITEMS AFFECTED BY THE MIXING REGULATION. EXPORTS OF THESE PRODUCTS ACCOUNT FOR A SUBSTANTIAL PERCENTAGE OF ALL AMERICAN AGRICULTURAL SALES TO THE MEMBER STATES OF THE COMMUNITY, AND THE VALUE OF THESE EXPORTS IN 1975 WAS NEARLY TWO BILLION DOLLARS. THE UNITED STATES IS DETERMINED TO PREVENT ANY UNDERMINING OF THIS BINDING OR EROSION OF ITS VALUE.

THE UNITED STATES REQUESTS THAT THE COMMUNITY AGREE TO CONSULTATION ON THIS MATTER UNDER ARTICLE XXIII(1) OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE, WITHOUT PREJUDICE TO THE RIGHTS OF THE UNITED STATES UNDER OTHER PROVISIONS OF THE GATT. IN VIEW OF THE URGENCY WITH WHICH THE UNITED STATES VIEWS THIS MATTER, WE REQUEST THAT CONSULTATIONS BEGIN AS SOON AS POSSIBLE, AND PROPOSE THE WEEK OF MARCH 22. CONSULTATIONS IN EITHER WASHINGTON OR BRUSSELS WOULD BE ACCEPTABLE TO THE UNITED STATES. END TEXT OF NOTE. HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, TEXT, IMPORT CONTROLS, NONFAT DRIED MILK, DIPLOMATIC NOTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ECBRU02519  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760094-0310  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19760368/aaaachnn.tel  
**Line Count:** 90  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 59882  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31 MAR 2004 by MartinML>; APPROVED <31 MAR 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INITIATION OF GATT PROCEEDINGS COMMUNITY'S NFDM DEPOSIT SCHEME  
**TAGS:** EAGR, ETRD, US, EEC, GATT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006